



# COALITION ON HUMAN NEEDS

## *The Human Needs Report*

October 11, 2021

### IN THIS EDITION:

#### BUDGET & APPROPRIATIONS:

[Stopgap Spending Bill Keeps Government Open, But Misses Opportunity for Increases](#)

[Congress Could Pass Once-In-A-Generation Investments with Build Back Better Package and Bipartisan Infrastructure Bill](#)

[Debt Ceiling Disaster Averted – For Now](#)

---

Subscribe to our blog, [Voices for Human Needs](#), and follow the Coalition on Human Needs on [Facebook](#), [Twitter](#), and [Instagram](#) for the latest information. Visit our [Events and Trainings page](#) for upcoming conferences, briefings, and meetings and our [job announcements page](#) for employment opportunities.

---

### **Stopgap Spending Bill Keeps Government Open, But Misses Opportunity for Increases**

With only a few hours to spare, President Biden on Sept. 30 signed into law a stopgap spending bill, known as a Continuing Resolution or CR, to avoid a government shutdown. The House and Senate both passed the CR earlier that day, with 34 Republicans joining all Democrats in the House and 15 Republicans joining all Democrats and Independents in the Senate in voting for passage. The measure (H.R. 5303) will keep the government funded from Oct. 1 – the start of the government’s Fiscal Year 2022 – through Dec. 3. It also included a few important policy extensions, including an extension of a temporary increase in [WIC benefits](#) and an extension of increased Medicaid federal matching funds for [Puerto Rico](#) and other U.S. territories, both previously set to expire Sept. 30.

Just a few days earlier on Sept. 27, Senate Republicans killed movement of a bill that would have funded the government through Dec. 3 and suspended the debt ceiling through 2022 (see related piece in this *Human Needs Report* for more information on the debt ceiling).

Advocates hope Congress will use the time before Dec. 3 to pass all twelve of the required FY22 spending bills. Under a CR, most government agencies and programs see flat funding levels from FY21 spending bills, which were enacted under President Trump. The FY22 spending bills are the first ones in a decade that are not limited by the low spending caps for annually-appropriated (also called

discretionary) programs previously required by the Budget Control Act. The FY22 spending bills laid out by the House, for example, would increase spending on non-defense (domestic and international) discretionary programs, also known as NDD, by roughly 16 percent over FY21 levels. Most education and housing programs fall into this category, plus many social service, public health, veterans' services, criminal justice, homeland security, environmental and community development programs.

Funding for defense programs would increase by roughly 2 percent in the House FY22 spending bills. These increases closely align with the increases called for in [President Biden's FY22 budget request](#).

To date, the House has passed nine of its 12 spending bills, including [seven](#) that were bundled together and passed – along party lines – in July. The Senate Appropriations Committee has approved three bills but hasn't yet reached agreement on how to divide funding among all the subcommittees (known as the 302(b) allocations).

However, appropriations bills need 60 votes – and therefore Republican support – to pass in the Senate. As Republicans oppose the higher nondefense and lower defense funding levels used in the House bills, Senate Democratic and Republican leaders will need to agree on both topline funding levels and subcommittee allocations to get appropriations bills passed. Another CR could be needed come Dec. 3, but advocates warn that additional stopgap bills mean lost opportunity to increase badly needed funding levels for human needs programs for this fiscal year.

[Return to Top](#)

### **Congress Could Pass Once-In-A-Generation Investments with Build Back Better Package and Bipartisan Infrastructure Bill This Month**

The nation is on the threshold of a once-in-a-generation opportunity to invest in a new era of economic growth that benefits everybody, not just those at the top. The Build Back Better Act is based on President Biden's American Families Plan and key elements of the American Jobs Plan that were not included in the bipartisan infrastructure bill, though it has been modified by House committees. The bill (H.R. 5376) has the potential to be one of the most significant investments in supports for America's families to date.

The plan was for the House to assemble its package, which would then be significantly modified based on negotiations with Senate Democrats. House Democrats did not want to vote for a bill that would not be able to pass in the Senate. That turned out to be more difficult than leadership hoped. Progressive House members continued to insist that the Build Back Better package needed to be agreed to by the Senate, at least in negotiations if not yet a vote, before taking up the bipartisan infrastructure bill. Without Build Back Better agreement, neither bill came up for a vote by the end of September, and Speaker Pelosi set a new deadline of October 31 for both.

While the final version of Build Back Better is expected to shrink below the initial House provisions, advocates are fighting to include as much as possible of the major advances approved in House committees.

The Build Back Better Act would guarantee paid family and medical leave; make child care and care for the aging and people with disabilities more affordable and accessible; expand Medicare benefits and expand Medicaid coverage to more than 2 million people; provide free community college and preschool for 3- and 4-year-olds; lower prescription drug prices; invest in housing and nutrition programs; expand trade assistance for laid-off workers; extend the increased Child Tax Credit payments and ensure the lowest income families receive the full benefit; provide legal status to millions of immigrants, and more. In short, the package addresses the nation's "human infrastructure" by improving lives, boosting paychecks, lowering costs, providing more opportunity and economic security for millions, and redressing unfairness. It would make the tax code fairer by raising taxes on the wealthiest Americans and big corporations, ensuring they finally pay their fair share. Advocates say it makes investments in families the heart of our economic growth strategy, creating an economy that works for everyone, instead of spending trillions on more tax giveaways for the wealthy and big corporations. The Build Back Better Act would drive a more equitable recovery and [advance racial equity](#).

Below are just a few of the critical components of the House's Build Back Better package:

**Health care:** The package closes the Medicaid coverage gap by providing a pathway to coverage for more than 2 million low-income people in the 12 states that haven't expanded Medicaid under the Affordable Care Act (ACA); expands Medicare to include vision, dental, and hearing benefits; helps states lower premiums for individual market plans; ensures all pregnant women enrolled in Medicaid and the Children's Health Insurance Program (CHIP) can maintain coverage for 12 months after the end of their pregnancy; provides Medicaid coverage for people within 30 days of leaving jail or prison; provides 12 months of continuous eligibility to children enrolled in Medicaid and CHIP; lowers prescription costs for Americans by allowing the government to negotiate for lower drug prices; permanently extends the Money Follows the Person program; includes \$15 billion for pandemic preparedness; and allows individuals receiving unemployment insurance to receive full premium coverage on the exchanges through 2025. It would also increase access to and the quality and workforce of Medicaid home- and community-based services (HCBS); the House bill would provide \$190 billion over 10 years, while the Biden plan called for \$400 billion over eight years. Advocates say at least \$250 billion over 10 years is needed to adequately fund an expansion; according to *CQ*, there is currently an 800,000-plus waitlist for such services.

**Child care and paid leave:** The Build Back Better Act provides 12 weeks of universal paid family and medical leave for all U.S. workers, replacing at least two-thirds of earnings up to \$4,000/month, with a higher portion of earnings replacement for the lowest income earners; invests roughly [\\$450 billion](#) in lowering the cost of child care (capping child care costs at 7 percent of income for middle class families) and making universal preschool free for 3- and 4-year-olds; and funds strategies to recruit and retain child care workers, including raising wages and creating training opportunities.

**Low-income tax credits:** The House bill extends the American Rescue Plan’s Child Tax Credit (CTC) increase (to \$3,000-\$3,600 per child) to 2025, as provided in the [Biden plan](#); ensures children in the poorest families will be able to claim the full CTC on a permanent basis (thanks to the American Rescue Plan, [27 million children](#) in the country’s lowest-income households who previously were denied the CTC or did not receive the full benefit because their families made too little to qualify now receive it); allows immigrant children with Individual Taxpayer Identification Numbers (ITINs) to qualify for the CTC again; makes permanent the improvements to the Child and Dependent Care Tax Credit (CDCTC) which were included in the American Rescue Plan so that the credit is fully available even to parents earning too little to owe federal income tax and the maximum credit is increased to \$4,000 for one dependent or \$8,000 for two or more; continues the \$500 credit for non-child dependents; and makes permanent the Earned Income Tax Credit (EITC) increase for people without dependents.

While Sen. Joe Manchin (D-WV) and some Republicans have called for a work requirement to be added to the Child Tax Credit, advocates adamantly oppose this. The [Niskanen Center](#) points out multiple reasons why excluding the poorest people from getting the CTC by adding a work requirement is a bad idea. The [Center on Budget and Policy Priorities](#) agrees, also noting that 95 percent of families with the lowest incomes who get the Child Tax Credit are working, between jobs, have a disability or are ill, elderly, or have a child under age 2. Proposals to require proof of employment to receive the CTC will take the giant backwards step of once again denying help to children whose caregivers at least temporarily cannot work. Nearly 500 economists signed a letter to Congress saying a fully refundable CTC would have massive positive impacts in reducing child poverty and would have a “[negligible effect on employment](#).” The expansion of the Child Tax Credit is estimated to reduce child poverty by more than 40 percent, with higher reductions in poverty rates of Black and Latinx children, and data show that CTC payments are already helping families get enough to eat and pay their bills. There is pressure to keep the expansion temporary as negotiations among Democrats appear to be pushing the size of the Build Back Better package down. But given the impact of the CTC, advocates note our nation should be funding a permanent increase from ensuring that corporations and the wealthy pay their fair share of taxes.

**Housing:** Build Back Better invests [\\$327 billion in affordable housing](#), including \$90 billion for rental assistance, \$80 billion to preserve public housing, and \$37 billion in the National Housing Trust Fund to build and preserve homes affordable to people with the lowest incomes. These investments would [sharply cut](#) homelessness and housing instability.

**Immigration reform/citizenship:** While the House proposal included a pathway to citizenship for Dreamers, people with Temporary Protected Status, and essential workers, including farm workers, the Senate Parliamentarian twice ruled that a pathway to citizenship cannot be pursued under the special rules of the reconciliation process, which is being used to allow the Build Back Better legislation to be enacted with only a simple majority in the Senate. Advocates are continuing to fight for this important reform, and some are urging the Democratic leadership in the Senate to overrule the Parliamentarian if no version of immigration reform is approved for inclusion in the reconciliation bill.

**Hunger/food and nutrition:** Build Back Better invests nearly [\\$35 billion](#) in additional funding for Child Nutrition Programs; expands the number of schools that would be able to offer free meals to all students, helping nearly 9 million students; extends Summer EBT nationwide for students who receive free or reduced-price school meals; and provides funding to increase access to healthier foods.

**Climate and the environment:** The Build Back Better plan provides \$30 billion to fully replace lead services pipes contaminating drinking water, added to \$15 billion provided in the separate bipartisan infrastructure bill for this purpose; provides home energy efficiency rebates; invests \$150 billion for a Clean Electricity Performance Program that would require utility companies to use more sustainable fuel sources; and creates a Greenhouse Gas Reduction Fund.

**Tax justice/fair revenues:** The House package includes \$2.2 trillion in tax increases for the wealthy and corporations, including raising the top corporate tax rate to 26.5 percent for companies making more than \$5 million; includes roughly \$1.3 trillion in tax breaks aimed at reducing poverty (through the Child Tax Credit and Earned Income Tax Credit for workers without dependent children extensions), reducing the cost of child care, spurring renewable energy, and more; and repeals a \$10,000 cap on the federal deduction for state and local taxes. Taken together, these moves will help mitigate wealth inequality.

**Education:** Build Back Better provides free preschool for all 3- and 4-year-olds; increases the maximum Pell grant by \$1,500; provides two years of free community college; invests in minority-serving institutions; provides \$82 billion to repair and rebuild crumbling and outdated K-12 schools; and invests nearly \$80 billion in workforce development programs so workers can build new skills while earning a paycheck.

**Infrastructure:** Additionally, the separate bipartisan infrastructure bill will also make critical investments in increasing high-speed internet access in poor and rural areas; replacing lead water pipes; improving roads and bridges; reversing climate change; and creating large numbers of new good and green jobs.

The Build Back Better package is not perfect; advocates continue to push for the inclusion of extended enhanced unemployment insurance benefits instituted during the pandemic that have since lapsed, as well as improvements to the Supplemental Security Income (SSI) program.

Democrats point out that all the investments in the bill can be fully paid for by making the wealthy and corporations pay their fair share, closing tax loopholes, and boosting IRS tax enforcement. For more information on what's in the Build Back Better House package, see these pieces from the [Food Research & Action Center](#), the [Center on Budget and Policy Priorities](#), and the House [Ways and Means Committee](#), [Energy and Commerce Committee](#), [Education and Labor Committee](#), and [Budget Committee](#).

After various House committees drafted pieces of the package, it was passed by the House Budget Committee on Sept. 25. However, potentially major modifications to the bill are likely to comply with strict Senate rules and to garner support from Sens. Joe Manchin (D-WV) and Kyrsten Sinema (D-AZ), who are insisting on cuts that would weaken the bill and could leave families facing benefits cliffs in a few years. Senator Manchin has called for reducing the size of the bill drastically, to \$1.5 trillion over ten years. Recent reporting suggests that the eventual total may be approximately \$2.3 trillion, but

negotiations are ongoing. Advocates are pushing back against cuts, insisting that Build Back Better, which represents the most transformative domestic policy changes since the New Deal, is needed now more than ever.

House Speaker Nancy Pelosi postponed a vote on the bipartisan infrastructure bill (H.R. 3684) scheduled for late September because of the importance of the two bills passing together. Advocates are stressing the urgent need to deliver the full Build Back Better agenda – not only investing in roads and bridges, but also in child care, paid leave, health care, climate action, affordable housing, and education. Democrats in the House and Senate have set a target date of Oct. 31 to pass both the Build Back Better plan and the bipartisan infrastructure bill. Advocates hope Congress is successful in doing so. As House Budget Committee Chairman John Yarmuth (D-KY) said, “We are at an inflection point for our nation. The futures of millions of Americans and their families are at stake.”

[Return to Top](#)

### **Debt Ceiling Disaster Averted – For Now**

The Senate on Oct. 7 passed legislation to increase the nation’s borrowing limit, also known as the debt ceiling or debt limit, by \$480 billion. This is expected to allow the government to pay its bills until around Dec. 3, when the current stopgap government funding bill is also set to expire (see the related piece in this *Human Needs Report* for more information on FY22 government funding). Incoming payments from taxes and other accounting tools could buy additional time, perhaps postponing the next debt ceiling deadline to later in December or early January 2022.

House Majority Leader Steny Hoyer announced the House would return to Washington on Oct. 12 to take up the measure. The President will then sign the bill. Without action, our country would fail to pay the bills it has already incurred and default on its financial obligations. Treasury Secretary Janet Yellen warned Congress that tipping point would come by Oct. 18.

Senate Republicans on Sept. 27 killed movement of a bill that would have funded the government through Dec. 3 and suspended the debt limit through 2022, and they continue to insist that Democrats raise the debt ceiling on their own using a process known as reconciliation that needs only a simple majority vote in the Senate. Democrats have been adamant that the bills the Treasury Department needs to pay aren’t solely from Democratic debts – they come from the 2017 multi-trillion-dollar Republican tax cuts, the bipartisan American Rescue Plan, and other legislation passed under President Trump and Republican congressional leadership – and that dealing with the debt limit therefore needs to be bipartisan. The Senate Parliamentarian notified Senate leadership that Congress can amend its budget resolution to allow a separate new reconciliation bill dealing with the debt limit without any effect on the Build Back Better bill. Minority Leader McConnell is pushing for that approach, to force Democrats to raise the limit on their own. Democrats have opposed using reconciliation for this purpose, in part because they would prefer to suspend the debt ceiling rather than raise it by a specific number. Although this has not been formally determined, a common interpretation is that using

reconciliation to raise the debt limit would require an increased debt amount rather than a suspension. After cooperating to get the temporary increase in the debt limit, Minority Leader McConnell has announced his caucus will not do so again in December, so the standoff continues.

Economists and business leaders overwhelmingly agree that failure to raise the debt ceiling would do catastrophic damage to the U.S. and to economies and markets worldwide. Mark Zandi, Chief Economist at Moody's Analytics, [warned](#) that a prolonged impasse over the debt ceiling would cost the economy up to 6 million jobs, wipe out as much as \$15 trillion in household wealth, and send the unemployment rate roughly to 9 percent, from around 5 percent right now.

[Return to Top](#)

---

**We appreciate your input.** Give us your thoughts on our *Human Needs Report* at [limbery@chn.org](mailto:limbery@chn.org).

---